

To become a member in the SAFE Program, a bank or savings institution must be organized and existing under Alabama or any other state law, be in the business of making loans and accepting deposits in Alabama, and have FDIC coverage. To apply for membership, the following documents must be completed by the applying institution and submitted as an application package to the Treasurer's Office. These documents must be submitted without changes.

1. Contingent Liability Agreement - establishes operational relationship between the SAFE Program and the applicant. This agreement must be approved by the applicant's Board of Directors.

2. Collateral Agreement - establishes custodial relationship between the applicant, the custodian institution, and the Treasurer's Office. The applicant initiates this document by signature, chooses the custodian, sends the agreement to the custodian for execution, and receives the returned agreement. This agreement is included in the application package to the Treasurer. The applicant may have one or more custodians. Whenever a custodian is changed or selected, this agreement must be executed.

3. Authorized Representative Signature Certification - up to four officers/staff of the applicant bank must sign the form and are designated as "authorized representatives" for purposes of the SAFE Program. This form must be adopted by the applicant's Board of Directors.

4. Certification of Adoption of Director's Resolution - to be completed by the applicant's board of directors confirming adoption of the three forms listed above.

5. Confirmation of Security Pledge with minimum \$100,000 market value - applicant must pledge (and maintain) through their custodian a minimum pledge of eligible securities confirmed by a security receipt issued to the Treasurer's Office.

The above five documents should be submitted to the Treasurer's Office in one package. The SAFE Program will review the documents upon receipt and, if correct, issue a Qualified Public Depository Certificate to the applicant. Upon receipt of this document the applicant is authorized to begin accepting public funds for deposit. Public depositors may request a copy of your Certificate for their file in order to confirm your membership to their auditors.

The definition of public entity and public deposit are included in the SAFE law available on the Treasurer's website. A bank's operational staff should know and

understand these definitions well. The depositor should notify the bank representative that the deposits are public, and then it is the responsibility of the banking institution to code the deposits as such. If the bank is uncertain about whether the deposits meet the definition provided in the SAFE law, their legal counsel should be consulted, as well as the depositor.